

SAVINGS OF FUTURE MUST PAY FOR WAR

Mr. Vanderlip Tells Editors It Is Unwise to Burden Nation With Heavy Taxes.

PUBLISHERS TO AID U. S.

Editors of about 300 engineering, technical and trade publications met here today with the council of national defense to discuss plans to assist the government in the conduct of the war. The editors, along with the publishers of daily newspapers, are observing voluntary censorship restrictions and are co-operating with the government in putting before the people the country's

Speakers today included Secretaries Lansing, Baker, Daniels, Lane, Houston, Redfield and Wilson and members of the defense council's advisory commission.

The meeting was not open to the public.

Success Based on Organization.

Frank A. Vanderlip, president of the National City Bank of New York, who was invited to address the conference,

"The business of America's businessmen is to co-operate with the government in organizing for a new business. The business of war no longer is that solely of fighting, but all are combatants, all are engaged in the fight, and we must be measured by the degree of our organization."

"The government asks for \$7,000,000,000. Nobody knows what that means. We haven't got that much money, and we won't get it. We must get it from the wealth of the country, which is estimated at

"This war must be fought on the savings of the future. The whole

answer is in expansion of banking credits. We must borrow in advance of our saving and liquidate as we save. This applies to all, millionaires and employe alike. You are seeing the business man take bonds and let his employes pay for them. The cannot be financed on the savings of the present.

Must Learn to Economize.

"Our job in one way is more difficult than Britain's. The British people had to be persuaded out of foreign loans. But we have no foreign resources and we must borrow to pay. That is our great thrust. We are a nation of spenders and we must learn to economize. This is a lesson of tremendous importance. We should interest millions of persons, and if we succeed in teaching them to conserve, we have an open-ended springs of resources equal annually to the amount of this bond issue.

"Some think economy will be bad for business, but no; business will be different if it will be business of the future. We cannot give the government

\$7,000,000,000 and expect to have as much left as at present to spend. It is unpatriotic to spend money for anything

unpatriotic to spend money for anything but necessities now. You should cease employing labor in unnecessary things.

"We are about to see the greatest industrial activity the country ever has known. We will see the most intense activity and the biggest wage scales, but

it will be in the business of war. We will throw no one out of employment, but into a situation where two men are needed instead of one. Men engaged in producing luxuries should cease at once as a patriotic act.

Heavy Tax Unwise.

"There has been an idea, now apparently dissipated, that the government can spend the same money three times, by buying below the market price, by taxing profits and by subscriptions to

bonds. This cannot be done. We have got to have the power of accumulation to fight this war successfully. I believe business men possess a patriotic wish to pay wise taxes, but it is not wise to lay a discouraging tax, and we must have prospects to win. We must

put the whole burden of this war on the present generation at the beginning

"Too many think this is a paper war, that there will be no real fighting and that the Germans are almost beaten. You must not act that way. Contingencies are possible, although not probable, which might put a different situa-

tion before us. There is Russia. No one knows what is happening there. Already there is a partial paralysis to her military forces, but I believe conditions will get no worse. And a separate peace is possible, although not probable.

"I see many wonderful by-products to come out of the war for us. Our

people will learn thrift and we will learn that we are fighting for democracy. Never did a nation go into a war fighting for such principles as were expressed in the President's declaration."

Question of Existence.

Secretary Lane deplored a feeling that America is fighting for some abstract principle.

Secretary Daniels declared that, although the country faces a grave situation in combating the submarine, he

"I have the faith and the hope," he said, "that we will overcome it soon. We will have to follow Farragut's method and 'Damn the torpedoes, go ahead.'"

Secretary Baker outlined the course

to be pursued under the selective draft law. Exemptions would not be made by industries but in individual cases al-

The labor problem was discussed by Secretary Wilson and Secretary Redfield outlined war preparation work of the Commerce Department bureau.

Other speakers were George C. ...
Walter Gifford, director of the council
of national defense; Frank Scott, chair-

Belgian Relief Ship Not Sunk.
LONDON, May 25.—The statement

credited in a dispatch last night from
Haugesund, Norway, to an officer of

The Norwegian steamer Vibran that a Swedish ship engaged in work of the Belgian relief commission was sunk May 18, although it held a German permit to sail, was denied today by the commission. It was stated that no Swedish ship had been chartered by

the commission and that no report had been received of the sinking of any relief ship recently.